

Order 96-5-3

**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Served May 1, 1996

Issued by the Department of Transportation
on the 1st day of May, 1996

Application of

JAPAN AIR LINES COMPANY, LTD.

Docket OST-95-662

for an exemption under 49 U.S.C.
section 40109

ORDER

Summary

In this order we modifying our action in Order 96-3-63 to the extent necessary to permit Japan Air Lines Company, Ltd. (JAL), to operate up to seven weekly combination frequencies between Sendai, Japan, and Honolulu, Hawaii, for five weeks commencing on May 2, 1996.¹

Background

By Order 96-3-63, issued March 29, 1996, we granted JAL exemption authority to conduct scheduled combination services between Sendai and Honolulu through September 20, 1996. JAL's authority was limited to three frequencies per week.

Recent Bilateral Developments

U.S. and Japanese officials met informally April 29-30, 1996, in Washington, D.C. for talks on outstanding issues related to passenger services. In view of the heavy summer tourist travel season, the two sides agreed to allow a number of

¹ JAL holds a foreign air carrier permit issued by Order 70-8-66. JAL also holds various exemptions to perform specified services between Japan and the United States.

services to operate. They agreed that JAL be allowed to increase its service in the Sendai-Honolulu market to up to seven weekly frequencies for five weeks commencing on May 2, 1996; and to operate Tokyo-Kona services for the summer 1996 season.² They further agreed that United Air Lines, Inc. would be allowed to operate its Osaka-Seoul service for the summer 1996 season (through October 26, 1996) and to increase capacity on its Los Angeles-Tokyo service for five weeks commencing on May 2, 1996. The two sides agreed to meet again in Tokyo, June 3-4, 1996, to discuss other passenger issues currently outstanding.

Decision

We have decided, sua sponte, to modify our action in Order 96-3-63, to the extent necessary, to permit JAL to operate up to seven weekly combination frequencies between Sendai, Japan, and Honolulu, Hawaii, for five weeks commencing on May 2, 1996.

When we last addressed the matter of JAL's Sendai-Honolulu authority this past March, we indicated our concern over Japan's failure to award United its bilaterally-authorized Osaka-Seoul authority. At the same time, we recognized that JAL was seeking to continue an ongoing service that provides significant benefits to Hawaii. Against that background, while we were prepared to extend JAL's authority, we were not prepared to permit JAL to exceed the three weekly frequencies it was then holding out in the market. We now find, in light of the agreement reached April 29-30 in Washington, that the temporary award for JAL of additional Sendai-Honolulu frequencies is consistent with the public interest.

ACCORDINGLY,

1. We modify Order 96-3-63, to the extent necessary to permit Japan Air Lines Company, Ltd. to operate up to seven weekly combination frequencies between Sendai, Japan, and Honolulu, Hawaii, commencing May 2, 1996, for five weeks (through June 5, 1996);
2. The authority granted in ordering paragraph 1 above is subject to the otherwise applicable conditions of Order 96-3-63;
3. We may amend, modify or revoke this authority at any time and without hearing; and

² JAL has requested exemption authority to serve Kona in Docket OST-95-971, and we will act on that request contemporaneously with our action here.

4. We will serve a copy of this order on Japan Air Lines Company, Ltd.; Federal Express Corporation; Northwest Airlines, Inc.; United Air Lines, Inc.; American Airlines, Inc.; the State of Hawaii; the Embassy of Japan in Washington, D.C.; the Department of State (Office of Aviation) and the Federal Aviation Administration (SF-IFO).

By:

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation
and International Affairs

(SEAL)

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